

SECRET

DIARY NOTES

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DD/S

24 April 1957

1. Following his conference with Mr. Orescan of the House Appropriations Committee Staff Mr. Saunders advised me that the investigation of payroll procedures insofar as CIA was concerned had been called off. He also said that it was Mr. Orescan's opinion that we would not be called for our Hearing before the Committee until after mid-May. I have so advised the Director.

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said that he had discussed this with General Cabell who disagreed very strongly with Matt's point of view and desired that I correct him in this matter. I told him that I would do so.

3. Larry Houston advised me that in his recent conversation with a representative of the Department of Justice it was their informal opinion that our law clearly exempted us from the Veterans Preference Act. However, we should not accept this as final authority and Larry's next step is to discuss the matter with Larry Meloy, the Legal Officer at the Civil Service Commission.

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4. [REDACTED] buzzed to say that he felt sure the Director would want me to accompany him to the annual dinner of the Fairfax County Chamber of Commerce on the 8th of May.

5. Gordon Stewart advised me that General Cabell had talked to him about several people in the Office of Current Intelligence who, according to Ting Sheldon, were sub-standard and excess to the needs of that Office. However, Ting has not taken action to get rid of them in accordance with the established procedure. General Cabell wants something done about this and has asked Gordon to draft a paper which will be tabled at the Deputies' Meeting and prescribe in substance that no professional vacancy can be filled by promotion, transfer, or lateral entry by any component until the Director of Personnel has certified that such a position cannot be filled by one of these so-called excess people. General Cabell also instructed Gordon to draft a "selection out" procedure.

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6. Met with Messrs. Saunders and [redacted] to review the four-year budget projection which is to be submitted to the Bureau of the Budget by 1 May and agreed on figures to be presented to the Director at a meeting which has been arranged for 5:00 p.m. tomorrow.

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25X1A9a 7. I discussed the [REDACTED] situation, and particularly [REDACTED] charges against John [REDACTED] and the running of the Management Staff generally, with Kirk. With regard to the disposition of [REDACTED] I told Kirk that I would look into this and see what I could work out. In this connection, I conferred later in the day with [REDACTED] - 25X1A9a [REDACTED] at which time I emphasized that I wanted to move as fast as possible in this case and asked Vernon to give me some positive recommendations within the next few days. With regard to [REDACTED] countercharges against [REDACTED] and the Management Staff 25X1A9a generally, I agreed with Kirk that there should be a careful investigation of the Management Staff to determine whether or not these charges had any substance to them. We also agreed that he, personally, would undertake this investigation as soon as he returned [REDACTED] in about ten days to two weeks. He specifically requested that I advise General Cabell and the Director that at my request he would undertake this investigation. I later advised General Cabell of this who agreed that there should be a complete investigation. However, it was his first opinion that I should make the investigation or ask Gates to do so rather than have it done by the Inspector General. Upon further discussion, however, he agreed to the arrangement provided I told [REDACTED] at the very beginning why the investigation was being conducted and advised him that if the charges were in fact substantiated it would probably mean his separation from the Agency. I will have to decide very shortly which way we should proceed.

25X1A9a 8. Met with Mr. Dulles, General Cabell, and Bob Amory to discuss the case of Dr. 25X1A9a [REDACTED]. It has been determined that having [REDACTED] stationed in [REDACTED] as a roving Scientific Attaché has not been successful and is costing money out of all proportion to the benefit we are getting. Accordingly, when [REDACTED] is up in November he will not be returned. He is arriving in town on Thursday, the 25th of April, and at that time will be told that he is not to return to [REDACTED] and that we cannot continue him in the Agency's employ at grade GS-18. Inasmuch as he already has five consecutive years at a salary of \$15,000, eventual retirement benefits will be influenced only by the additional number of years he serves. Accordingly, Bob was authorized to offer him something around the grade GS-14 or 15 level, probably as a Contact Specialist, which would permit him to stay on the rolls for a few more years prior to retirement.

25X1A9a 9. Gordon Stewart advised me that General Cabell had discussed with him the manpower paper which he presented at the Alibi Club on 18 April. It was his opinion--as it was mine--that General Cabell did not wish to deviate from his recommended procedure. I showed Gordon the paper which I had drafted and he was in full agreement with it.

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Staff had responded to the case of [REDACTED]. According to [REDACTED] has suffered a coronary attack and it took the Medical Staff from early morning until around 4:00 p.m. in the afternoon to get a doctor out to see him. Gordon asked [REDACTED] to write a brief memorandum to me on the subject and I approved of this procedure. I also telephoned Dr. Tietjen and got a pretty complete rundown on the situation from him. It does appear that there was an inordinate amount of time between the notification and the actual arrival of a doctor. However, in view of the fact that [REDACTED] has been a rather troublesome psychiatric case there are probably some extenuating circumstances. In any event, I do not wish to pass judgment on this until I have seen [REDACTED] memorandum and had Tietjen's comments on it.

11. Had a discussion both on the squawk box and later in the day with Bob Amory about the new building. Bob is, in my judgment, somewhat irrational about his desires to close up the library deal, put the Office of Basic Intelligence back into the building, etc. At his suggestion that we thrash the whole thing out with the Director I readily agreed, at which point he backed water considerably. I told him that I was fed up with his threatening to go the Director at any time he didn't get what he wanted in connection with the new building and that I wanted him to understand fully that I was prepared to meet with him and the Director at any hour of the day or night, without any advance notice, on his or any aspect of the building. I also told him that the DD/I area was slower than any other component in supplying the information that we needed to pass on to the architect and that unless we got his information very soon it would be necessary to stop work on the building again. In this connection, I also told him that in my judgment his liaison man, [REDACTED] had been quite ineffective of late.

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